

### ***Caution: DRAFT FORM***

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If you have any comments on this draft form, you can submit them to us on our web site. Include the word DRAFT in your response. You may make comments anonymously, or you may include your name and e-mail address or phone number. We will be unable to respond to all comments due to the high volume we receive. However, we will carefully consider each suggestion. So that we can properly consider your comments, please send them to us within 30 days from the date the draft was posted.

Form <b>1065</b> Department of the Treasury Internal Revenue Service	<b>U.S. Return of Partnership Income</b> For calendar year 2004, or tax year beginning _____, 2004, and ending _____, 20____. <b>See separate instructions.</b>	OMB No. 1545-0099 <b>2004</b>
<b>A</b> Principal business activity	Name of partnership	<b>D</b> Employer identification number
<b>B</b> Principal product or service	Number, street, and room or suite no. If a P.O. box, see page 14 of the instructions.	<b>E</b> Date business started
<b>C</b> Business code number	City or town, state, and ZIP code	<b>F</b> Total assets (see page 14 of the instructions) \$

**G** Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Name change (4) ☐ Address change (5) ☐ Amended return  
**H** Check accounting method: (1) ☐ Cash (2) ☐ Accrual (3) ☐ Other (specify) ▶ \_\_\_\_\_  
**I** Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ \_\_\_\_\_

**Caution:** Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

<b>Income</b>	<b>1a</b> Gross receipts or sales	<b>1a</b>			
	<b>b</b> Less returns and allowances	<b>1b</b>			<b>1c</b>
	<b>2</b> Cost of goods sold (Schedule A, line 8)				<b>2</b>
	<b>3</b> Gross profit. Subtract line 2 from line 1c.				<b>3</b>
	<b>4</b> Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)				<b>4</b>
	<b>5</b> Net farm profit (loss) (attach Schedule F (Form 1040))				<b>5</b>
	<b>6</b> Net gain (loss) from Form 4797, Part II, line 17.				<b>6</b>
	<b>7</b> Other income (loss) (attach schedule)				<b>7</b>
	<b>8 Total income (loss).</b> Combine lines 3 through 7				<b>8</b>
<b>Deductions</b> (see page 15 of the instructions for limitations)	<b>9</b> Salaries and wages (other than to partners) (less employment credits)				<b>9</b>
	<b>10</b> Guaranteed payments to partners				<b>10</b>
	<b>11</b> Repairs and maintenance				<b>11</b>
	<b>12</b> Bad debts				<b>12</b>
	<b>13</b> Rent				<b>13</b>
	<b>14</b> Taxes and licenses				<b>14</b>
	<b>15</b> Interest				<b>15</b>
	<b>16a</b> Depreciation (if required, attach Form 4562)	<b>16a</b>			
	<b>b</b> Less depreciation reported on Schedule A and elsewhere on return	<b>16b</b>			<b>16c</b>
	<b>17</b> Depletion (Do not deduct oil and gas depletion.)				<b>17</b>
	<b>18</b> Retirement plans, etc.				<b>18</b>
	<b>19</b> Employee benefit programs				<b>19</b>
	<b>20</b> Other deductions (attach schedule)				<b>20</b>
	<b>21 Total deductions.</b> Add the amounts shown in the far right column for lines 9 through 20				<b>21</b>
	<b>22 Ordinary business income (loss).</b> Subtract line 21 from line 8				<b>22</b>

<b>Sign Here</b>	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.		
	Signature of general partner or limited liability company member	Date	May the IRS discuss this return with the preparer shown below (see instructions)? <input type="checkbox"/> Yes <input type="checkbox"/> No
<b>Paid Preparer's Use Only</b>	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>
	Firm's name (or yours if self-employed), address, and ZIP code	EIN	Preparer's SSN or PTIN
		Phone no.	

**Schedule A Cost of Goods Sold** (see page 18 of the instructions)

1	Inventory at beginning of year . . . . .	1		
2	Purchases less cost of items withdrawn for personal use . . . . .	2		
3	Cost of labor . . . . .	3		
4	Additional section 263A costs (attach schedule). . . . .	4		
5	Other costs (attach schedule). . . . .	5		
6	<b>Total.</b> Add lines 1 through 5 . . . . .	6		
7	Inventory at end of year . . . . .	7		
8	<b>Cost of goods sold.</b> Subtract line 7 from line 6. Enter here and on page 1, line 2 . . . . .	8		

**9a** Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3  
(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4  
(iii) ☐ Other (specify method used and attach explanation) ▶

**b** Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) . . . ▶ ☐

**c** Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). . . ▶ ☐

**d** Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . ☐ **Yes** ☐ **No**

**e** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ **Yes** ☐ **No**  
If "Yes," attach explanation.

**Schedule B Other Information**

	Yes	No
<b>1</b> What type of entity is filing this return? Check the applicable box:		
<b>a</b> <input type="checkbox"/> Domestic general partnership		
<b>b</b> <input type="checkbox"/> Domestic limited partnership		
<b>c</b> <input type="checkbox"/> Domestic limited liability company		
<b>d</b> <input type="checkbox"/> Domestic limited liability partnership		
<b>e</b> <input type="checkbox"/> Foreign partnership		
<b>f</b> <input type="checkbox"/> Other ▶		
<b>2</b> Are any partners in this partnership also partnerships? . . . . .		
<b>3</b> During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment . . . . .		
<b>4</b> Did the partnership file Form 8893, Election of Partnership Level Tax Treatment, or an election statement under section 6231(a)(1)(B)(ii) for partnership-level tax treatment, that is in effect for this tax year? See Form 8893 for more details . . . . .		
<b>5</b> Does this partnership meet <b>all three</b> of the following requirements?		
<b>a</b> The partnership's total receipts for the tax year were less than \$250,000;		
<b>b</b> The partnership's total assets at the end of the tax year were less than \$600,000; <b>and</b>		
<b>c</b> Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item N on Schedule K-1. . . . .		
<b>6</b> Does this partnership have any foreign partners? If "Yes," the partnership may have to file Forms 8804, 8805 and 8813. See page 20 of the instructions . . . . .		
<b>7</b> Is this partnership a publicly traded partnership as defined in section 469(k)(2)? . . . . .		
<b>8</b> Has this partnership filed, or is it required to file, <b>Form 8264</b> , Application for Registration of a Tax Shelter? . . .		
<b>9</b> At any time during calendar year 2004, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 20 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		
<b>10</b> During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 20 of the instructions. . . . .		
<b>11</b> Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under <b>Elections Made By the Partnership</b> on page 9 of the instructions . . . . .		
<b>12</b> Enter the number of <b>Forms 8865</b> , Return of U.S. Persons With Respect to Certain Foreign Partnerships, attached to this return . . . . . ▶		

**Designation of Tax Matters Partner** (see page 20 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of designated TMP ▶

Identifying number of TMP ▶

Address of designated TMP ▶

<b>Schedule K Partners' Distributive Share Items</b>		<b>Total amount</b>	
<b>Income (Loss)</b>	<b>1</b> Ordinary business income (loss) (page 1, line 22)	<b>1</b>	
	<b>2</b> Net rental real estate income (loss) (attach Form 8825)	<b>2</b>	
	<b>3a</b> Other gross rental income (loss)	<b>3a</b>	
	<b>b</b> Expenses from other rental activities (attach statement)	<b>3b</b>	
	<b>c</b> Other net rental income (loss). Subtract line 3b from line 3a	<b>3c</b>	
	<b>4</b> Guaranteed payments	<b>4</b>	
	<b>5</b> Interest income	<b>5</b>	
	<b>6</b> Dividends: <b>a</b> Ordinary dividends	<b>6a</b>	
	<b>b</b> Qualified dividends	<b>6b</b>	
	<b>7</b> Royalties	<b>7</b>	
	<b>8</b> Net short-term capital gain (loss) (attach Schedule D (Form 1065))	<b>8</b>	
<b>Deductions</b>	<b>9a</b> Net long-term capital gain (loss) (attach Schedule D (Form 1065))	<b>9a</b>	
	<b>b</b> Collectibles (28%) gain (loss)	<b>9b</b>	
	<b>c</b> Unrecaptured section 1250 gain (attach statement)	<b>9c</b>	
	<b>10</b> Net section 1231 gain (loss) (attach Form 4797)	<b>10</b>	
	<b>11</b> Other income (loss) (attach statement)	<b>11</b>	
<b>Self-Employment</b>	<b>12</b> Section 179 deduction (attach Form 4562)	<b>12</b>	
	<b>13a</b> Contributions	<b>13a</b>	
	<b>b</b> Deductions related to portfolio income (attach statement)	<b>13b</b>	
	<b>c</b> Investment interest expense	<b>13c</b>	
	<b>d</b> Section 59(e)(2) expenditures: <b>(1)</b> Type <b>(2)</b> Amount	<b>13d(2)</b>	
<b>Credits &amp; Credit Recapture</b>	<b>e</b> Other deductions (attach schedule)	<b>13e</b>	
	<b>14a</b> Net earnings (loss) from self-employment	<b>14a</b>	
	<b>b</b> Gross farming or fishing income	<b>14b</b>	
	<b>c</b> Gross nonfarm income	<b>14c</b>	
	<b>15a</b> Low-income housing credit (section 42(j)(5))	<b>15a</b>	
	<b>b</b> Low-income housing credit (other)	<b>15b</b>	
<b>Foreign Transactions</b>	<b>c</b> Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	<b>15c</b>	
	<b>d</b> Other rental real estate credits	<b>15d</b>	
	<b>e</b> Other rental credits	<b>15e</b>	
	<b>f</b> Other credits and credit recapture (attach statement)	<b>15f</b>	
	<b>16a</b> Name of country or U.S. possession	<b>16a</b>	
	<b>b</b> Gross income from all sources	<b>16b</b>	
<b>Alternative Minimum Tax (AMT) Items</b>	<b>c</b> Gross income sourced at partner level	<b>16c</b>	
	<i>Foreign gross income sourced at partnership level</i>		
	<b>d</b> Passive <b>e</b> Listed categories (attach statement) <b>f</b> General limitation	<b>16f</b>	
	<i>Deductions allocated and apportioned at partner level</i>		
	<b>g</b> Interest expense <b>h</b> Other	<b>16h</b>	
	<i>Deductions allocated and apportioned at partnership level to foreign source income</i>		
	<b>i</b> Passive <b>j</b> Listed categories (attach statement) <b>k</b> General limitation	<b>16k</b>	
	<b>l</b> Foreign taxes: <b>(1)</b> Paid <b>(2)</b> Accrued	<b>16l(2)</b>	
	<b>m</b> Reduction in taxes available for credit (attach statement)	<b>16m</b>	
	<b>17a</b> Post-1986 depreciation adjustment	<b>17a</b>	
<b>Other Information</b>	<b>b</b> Adjusted gain or loss	<b>17b</b>	
	<b>c</b> Depletion (other than oil and gas)	<b>17c</b>	
	<b>d</b> Oil, gas, and geothermal properties—gross income	<b>17d</b>	
	<b>e</b> Oil, gas, and geothermal properties—deductions	<b>17e</b>	
	<b>f</b> Other AMT items (attach statement)	<b>17f</b>	
	<b>18a</b> Tax-exempt interest income	<b>18a</b>	
<b>Other Information</b>	<b>b</b> Other tax-exempt income	<b>18b</b>	
	<b>c</b> Nondeductible expenses	<b>18c</b>	
	<b>19a</b> Distributions of cash and marketable securities	<b>19a</b>	
	<b>b</b> Distributions of other property	<b>19b</b>	
	<b>20a</b> Investment income	<b>20a</b>	
	<b>b</b> Investment expenses	<b>20b</b>	
<b>c</b> Other items and amounts (attach statement)			

**Analysis of Net Income (Loss)**

<b>1</b> Net income (loss). Combine Schedule K, lines 1 through 11. From the result, subtract the sum of Schedule K, lines 12 through 13e, 16l(1), and 16l(2) . . . . .						<b>1</b>
<b>2</b> Analysis by partner type:	<b>(i)</b> Corporate	<b>(ii)</b> Individual (active)	<b>(iii)</b> Individual (passive)	<b>(iv)</b> Partnership	<b>(v)</b> Exempt organization	<b>(vi)</b> Nominee/Other
<b>a</b> General partners						
<b>b</b> Limited partners						

**Note:** Schedules L, M-1, and M-2 are not required if Question 5 of Schedule B is answered "Yes."

**Schedule L Balance Sheets per Books**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
<b>1</b> Cash . . . . .				
<b>2a</b> Trade notes and accounts receivable . . . . .				
<b>b</b> Less allowance for bad debts . . . . .				
<b>3</b> Inventories . . . . .				
<b>4</b> U.S. government obligations . . . . .				
<b>5</b> Tax-exempt securities . . . . .				
<b>6</b> Other current assets ( <i>attach statement</i> ) . . . . .				
<b>7</b> Mortgage and real estate loans . . . . .				
<b>8</b> Other investments ( <i>attach statement</i> ) . . . . .				
<b>9a</b> Buildings and other depreciable assets. . . . .				
<b>b</b> Less accumulated depreciation . . . . .				
<b>10a</b> Depletable assets . . . . .				
<b>b</b> Less accumulated depletion . . . . .				
<b>11</b> Land (net of any amortization) . . . . .				
<b>12a</b> Intangible assets (amortizable only) . . . . .				
<b>b</b> Less accumulated amortization . . . . .				
<b>13</b> Other assets ( <i>attach statement</i> ) . . . . .				
<b>14</b> <b>Total</b> assets. . . . .				
<b>Liabilities and Capital</b>				
<b>15</b> Accounts payable . . . . .				
<b>16</b> Mortgages, notes, bonds payable in less than 1 year . . . . .				
<b>17</b> Other current liabilities ( <i>attach statement</i> ) . . . . .				
<b>18</b> All nonrecourse loans . . . . .				
<b>19</b> Mortgages, notes, bonds payable in 1 year or more . . . . .				
<b>20</b> Other liabilities ( <i>attach statement</i> ) . . . . .				
<b>21</b> Partners' capital accounts . . . . .				
<b>22</b> <b>Total</b> liabilities and capital . . . . .				

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return**

<b>1</b> Net income (loss) per books . . . . .		<b>6</b> Income recorded on books this year not included on Schedule K, lines 1 through 11 (itemize):	
<b>2</b> Income included on Schedule K, lines 1, 2, 3c, 5, 6a, 7, 8, 9a, 10, and 11, not recorded on books this year (itemize): . . . . .		<b>a</b> Tax-exempt interest \$ . . . . .	
<b>3</b> Guaranteed payments (other than health insurance) . . . . .		<b>7</b> Deductions included on Schedule K, lines 1 through 13e, 16l(1), and 16l(2), not charged against book income this year (itemize):	
<b>4</b> Expenses recorded on books this year not included on Schedule K, lines 1 through 13e, 16l(1), and 16l(2) (itemize):		<b>a</b> Depreciation \$ . . . . .	
<b>a</b> Depreciation \$ . . . . .		<b>8</b> Add lines 6 and 7 . . . . .	
<b>b</b> Travel and entertainment \$ . . . . .		<b>9</b> Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5 . . . . .	
<b>5</b> Add lines 1 through 4 . . . . .			

**Schedule M-2 Analysis of Partners' Capital Accounts**

<b>1</b> Balance at beginning of year . . . . .		<b>6</b> Distributions: <b>a</b> Cash . . . . .	
<b>2</b> Capital contributed: <b>a</b> Cash . . . . .		<b>b</b> Property . . . . .	
<b>b</b> Property . . . . .		<b>7</b> Other decreases (itemize): . . . . .	
<b>3</b> Net income (loss) per books . . . . .		<b>8</b> Add lines 6 and 7 . . . . .	
<b>4</b> Other increases (itemize): . . . . .		<b>9</b> Balance at end of year. Subtract line 8 from line 5 . . . . .	
<b>5</b> Add lines 1 through 4 . . . . .			

